

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval**

**For**

**Other Than Full and Open Competition (VA261-13-P-2127)**

1. **Contracting Activity:** Department of Veterans Affairs, NCO 21, on behalf of Palo Alto Health Care System (VAPAHCS). Procurement request 640-13-3-163-0165.
2. **Nature and/or Description of the Action Being Processed:** This is a new action for the firm-fixed-price lease of mobile SPECT imaging equipment.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** This is an emergency procurement to lease mobile SPECT equipment while VAPAHCS' equipment is being reviewed for safety. VA has required all SPECT equipment to be evaluated due to a recent safety issue. VAPAHCS cannot use their equipment until the safety issue has been resolved. Not having the use of the SPECT equipment negatively impact patient care by having to send patients to clinics where they are not receiving the same quality of care that they receive at VAPAHCS. If a mobile unit is ordered today, it could be on location by June 18, 2013. The base cost of the unit is [REDACTED]. The total value of the purchase order including all options, if exercised, is [REDACTED].

Options are not usually included in emergency purchase order. However, they are required in this one since funding the purchase order in weekly options is in the best interest of the Government. The options have to be in one week increments because the mobile SPECTs are required during a period of time that VAPAHCS's SPECT equipment is being evaluated for safety. This period of time could be days, weeks or months. Once the evaluation is complete, VAPAHCS will either return to using their own equipment or will initiate a purchase of new equipment. If they return to using their own equipment, the leased equipment will be of no use so the Government benefits from a week-to-week lease. Since VAPAHCS cannot perform critical scans on patients without SPECT equipment, if they have to purchase new equipment, this contract will have to be extended until new equipment is procured.

4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §253(c)(2), as implemented by FAR 6.302-2.
  - ( ) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
  - (X) (2) Unusual and Compelling Urgency per FAR 6.302-2;
  - ( ) (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
  - ( ) (4) International Agreement per FAR 6.302-4
  - ( ) (5) Authorized or Required by Statute FAR 6.302-5;
  - ( ) (6) National Security per FAR 6.302-6;
  - ( ) (7) Public Interest per FAR 6.302-7;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** The equipment is needed immediately due to patients not receiving treatment equal to the quality of care at VAPAHCS. Due

to a potential safety issue, VAPAHCS's equipment has been taken out of service until their equipment is deemed safe. Three contractors were contacted and only Alliance Healthcare Services was capable of meeting the Government's requirement within a matter of days. The purchase order is being awarded with options that will allow for a week-to-week commitment to continue the lease. The lease has to continue until either VAPACHS's equipment is cleared for use or new equipment is purchased.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Kent Hutchings performed an internet search to locate contactors that could supply a mobile SPECT unit within days of an order. He located and contacted three: Alliance Healthcare Services, Nuclear Medicine Professions Inc., Modern Nuclear, Inc. Of the three only Alliance Healthcare Services was capable of providing the required unit within days.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The contracting officer has determined that the anticipated cost will be considered fair and reasonable based upon a comparison to the contractor's commercial customers under similar circumstances. Since this procurement is under the threshold for requiring cost and pricing data, the contracting officer is relying on the contractor's disclosure of commercial pricing as a basis that the final contract price will be fair and reasonable.  
  
**Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Kent Hutchings performed an Internet search to locate contactors that could supply a mobile SPECT unit within days of an order. He located and contacted three: Alliance Healthcare Services, Nuclear Medicine Professions Inc., Modern Nuclear, Inc. Of the three only Alliance Healthcare Services was capable of providing the required unit within days.
8. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** VAPAHCS was notified of a potential safety issue with their SPECT imaging equipment. They are mandated to not use the equipment until it has been determined safe. The SPECT equipment is critical to patient care. Since the existing equipment may be deemed safe within days, the most cost effective means of obtaining temporary equipment is through an emergency lease.
9. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Only Alliance Healthcare Services expressed an interest in providing the leased equipment.
10. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:** There are no actions that could be taken to overcome any barriers to competition given the current situation. If VAPAHCS's equipment is determined to be unsafe, a competitive procurement will be performed to obtain new equipment. This type of equipment is usually purchased from the VA National Acquisition Center (NAC) so they would compete the action among their existing IDIQ contractors. Prior to issuing the purchase order, the contracting officer verified with the NAC that their contracts do not include leasing.

11. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

  
Kent Hutchings, Director, Nuclear  
Medicine Technologist Training Program  
VA Palo Alto Health Care System (115)

6/12/13  
\_\_\_\_\_  
June 12, 2013

12. **Approvals in accordance with FAR 6.304**

- a. **Contracting Officer's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

  
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Patricia Benson  
Contracting Officer  
NCO 21

6/12/13  
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June 12, 2013

- b. **NCM/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.

  
Josefina Ledezma  
Network Contract Manager  
VISN 21

6/12/13  
\_\_\_\_\_  
Date